

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Danvers Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2020
DATE: October 30, 2018

Required Fiscal Year 2020 Appropriation: **\$7,885,717**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2020 which commences July 1, 2019.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2020 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by KMS Actuaries as part of their January 1, 2018 actuarial valuation.

The current schedule is due to be updated by Fiscal Year 2021.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

JEC/jrl
Attachments

cc: Town Manager
Town Meeting
c/o Town Clerk

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Danvers Retirement Board

Projected Appropriations

Fiscal Year 2020 - July 1, 2019 to June 30, 2020

Aggregate amount of appropriation: **\$7,885,717**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2020	\$11,061,446	\$7,885,717	\$0	\$7,885,717	\$7,885,717	\$0	\$3,175,729
FY 2021	\$11,502,547	\$8,516,574	\$0	\$8,516,574	\$8,516,574	\$0	\$2,985,973
FY 2022	\$11,961,775	\$9,197,900	\$0	\$9,197,900	\$9,197,900	\$0	\$2,763,875
FY 2023	\$12,439,873	\$9,933,731	\$0	\$9,933,731	\$9,933,731	\$0	\$2,506,142
FY 2024	\$12,937,617	\$10,677,172	\$0	\$10,677,172	\$10,677,172	\$0	\$2,260,445

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

SECTION 9 - RESULTS BY DEPARTMENT

Department	Town	Housing Authority	School Lunch	Hospital	Electric	School	Water	Sewer	Total
Normal Cost - January 1, 2018									
Total Normal Cost	2,836,154	87,265	66,381	0	859,890	607,967	138,599	28,590	4,624,846
Administrative Expenses	0	0	0	0	0	0	0	0	0
Total Normal Cost	2,836,154	87,265	66,381	0	859,890	607,967	138,599	28,590	4,624,846
Employee Normal Cost	1,683,779	58,227	38,398	0	420,548	384,910	125,122	19,352	2,730,336
Employer Normal Cost	1,152,375	29,038	27,983	0	439,342	223,057	13,477	9,238	1,894,510
Total 2020 Appropriation									
Normal cost	1,245,588	31,387	30,246	0	474,879	241,099	14,567	9,985	2,047,751
Net 3(8)(c) payments	286,341	6,421	6,301	20,775	52,692	33,617	12,313	3,494	421,954
Amortization of UAL	3,774,977	93,845	86,405	156,905	548,077	496,022	226,787	32,994	5,416,012
Fiscal 2020	5,306,906	131,653	122,952	177,680	1,075,648	770,738	253,667	46,473	7,885,717
Total 2021 Appropriation									
Normal cost	1,298,524	32,721	31,532	0	495,061	251,346	15,186	10,410	2,134,780
Net 3(8)(c) payments	286,341	6,421	6,301	20,775	52,692	33,617	12,313	3,494	421,954
Amortization of UAL	4,145,624	103,059	94,888	172,311	613,946	544,724	249,054	36,234	5,959,840
Fiscal 2021	5,730,489	142,201	132,721	193,086	1,161,699	829,687	276,553	50,138	8,516,574